

# **Special Session, December 11, 2010**

## **Action by legislators that affected budgets in Medicaid and the Health Care Authority**

### **Medical Assistance budget notes:**

**69. ELIM ADULT NON-EMERGENT DENTAL (\$7.2M)** - After December 31, 2010 the state Medicaid program will no longer pay for preventive or routine dental care for adults other than those with developmental disabilities. Emergency services will continue to be available for all adults, and the state will continue to provide financial support for the Dental Education in Care for the Disabled (DECOD) program at the University of Washington. (General Fund-State, General Fund-Federal)

**70. FQHC REIMBURSEMENT METHOD CHNG (\$20.3M)** - Effective January 2011, the department will reduce cost-based encounter payments to federally-qualified and rural health centers (FQHCs and RHCs) by reinstituting the federal prospective payment system that was replaced by an alternate payment methodology in 2009. (General Fund-State, General Fund-Federal)

**71. CHIPRA PERFORMANCE BONUS (\$10.1M)** - Under the federal Children's Health Insurance Program Reauthorization Act (CHIPRA), states may receive annual performance bonuses for efforts to increase the number of children enrolled in state/federal medical and dental coverage. Washington received a \$7.9 million bonus in 2009. It is assumed that the bonus Washington State will receive in 2010 be \$10.1M greater than the 2009 award, for a total of \$18 million.

### **Health Care Authority legislative action:**

As part of necessary steps to address the state's deficit of \$1.1 billion through the end of FY 2011, Members of the Legislature cut approximately \$588 million of which \$27.7 million comes from Basic Health.

To reach the targeted savings amount of \$27.7 million, the below activities must occur:

- Basic Health (BH) must receive approval for the impending federal demonstration waiver; and
- BH will continue to use enrollment attrition at its current rate of around 2% to reduce enrollment, ending with approximately 52,000 in June 2011. (*We will continue to keep the wait list in place through the end of June.*)

At this point, Basic Health will continue to maintain eligibility for active members, and work toward the requirements of the supplemental budget.